GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2733
ANSWERED ON:31.08.2007
LORD KRISHNA BANK
Manoj Dr. K.S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Lord Krishna Bank is under monthly monitoring of Reserve Bank of India (RBI);

(b) if so, whether the share holding of the promoter group in Lord Krishna Bank is being brought down to the 10% level; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (c) : Due to the poor financials and other adverse findings in the Annual Financial Inspection of the bank with respect to its position as on 30th September, 1997, the Lord Krishna Bank was placed under Quarterly Monitoring System, and subsequently under monthly monitoring since April, 2001. The bank was also under `Directions` issued by Reserve Bank of India (RBI) under Section 35A of the Banking Regulation Act, 1949 since December, 2003. However, RBI has sanctioned the Scheme of Amalgamation of the Lord Krishna Bank Ltd. with Centurion Bank of Punjab Ltd. under Section 44A of the Act ibid, with effect from 29th August, 2007.